



# **Budget Speech**

OF

## **THE HON. ERNEST C. MANNING**

TREASURER OF THE PROVINCE OF ALBERTA

**Delivered on March 3rd**

**1950**

IN THE

### **Legislative Assembly of Alberta**

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF  
FINANCIAL AND GENERAL INFORMATION

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PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

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EDMONTON  
Printed by A. Shnitka, King's Printer  
1950



# BUDGET SPEECH

DELIVERED BY

THE HON. ERNEST C. MANNING

*Treasurer of the Province of Alberta*

March 3, 1950

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Mr. Speaker:

Once again it is my privilege to move that you do now leave the Chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

In speaking to this time-honored motion, I desire at the outset to pay tribute to the memory of the late Mr. John Francis Percival, whose untimely death occurred on September 3rd of last year. Mr. Percival served this Province faithfully as Deputy Provincial Treasurer for the past 17 years and in his passing Alberta has suffered the loss of an outstanding public servant.

The Budget, which it is my responsibility to present today, forecasts for the ensuing year an all-time record both in provincial revenues and expenditures.

It reflects clearly and unmistakably the unprecedented era of progress and development which, in this Province, it is our good fortune to witness and enjoy. To whom much is given, of him shall much be expected—and the honorable Members of this Assembly must bear in mind our correspondingly increased responsibility to use wisely and in the best interests of all, the increased measure of material abundance with which our Province is endued.

As legislators, we are confronted with two extremes in public attitude as a result of the improved economic and financial position of the Province. On one hand there is a tendency to regard increased revenue from the development of our resources as license for reckless spending and irresponsible commitments to satisfy the demands of minority pressure groups without due regard to future consequences or the best interests of our people as a whole.

On the part of others, there is a tendency to over-caution, which would unduly retard the bold and vigorous action necessary to continued progress and development. The Government does not subscribe to either of these extremes.

The provisions of the Budget for the ensuing year are in keeping with the Government's policy of pursuing at all times a vigorous program for the continued progressive development of our Province under a system of individual enterprise, assuring to each citizen a maximum degree of individual opportunity and personal freedom. At the same time, the Budget takes cognizance of our responsibility as legislators to exercise sound judgment in the expenditure of public revenues and to safeguard the future

as well as the present interests of those we are privileged to represent. Accordingly, its provisions are designed to meet the requirements of our expanding economy during the ensuing year and to insure, as far as it lies within our power, the future stability of our Province and the welfare of its people.

May I now review briefly the prevailing economic conditions in the light of which honorable Members and the public generally should appraise the adequacy or otherwise of the Government's proposed financial program for the coming year.

### AGRICULTURE

Adverse weather conditions in many parts of the Province resulted in a substantial decrease in agricultural production during 1949.

Preliminary estimates indicate that the total value of all farm products was approximately \$455,000,000 as compared with \$545,000,000 the previous year, a decrease of \$90,000,000. The gross value of field crops is estimated at \$244,400,000 as compared with \$320,000,000 in 1948, while livestock marketing decreased by \$6,600,000 from \$140,000,000 in 1948 to \$133,400,000 in 1949. Livestock marketings for the year were 527,000 cattle, 126,100 calves, 172,300 sheep and lambs, and 924,700 hogs. Dairy products, valued at \$52,000,000, show a decrease of \$4,000,000 from the previous year. The value of poultry products amounted to \$22,025,000, while fur farming yielded \$1,862,000. Honey production for the year totalled 5,800,000 pounds, valued at \$580,000 as compared with 9,043,000 pounds, valued at \$994,730 for the year 1948.

Present indications are that wheat acreage in 1950 will be lower than last year, while coarse grain acreage will be slightly higher. It is expected that the prevailing uncertainty in respect to future markets and market prices will result in a decrease in the production of poultry, poultry products and hogs during the coming year.

The present outlook for our basic industry is uncertain in so far as assured markets are concerned and there are indications that the trend is toward lower prices for farm produce. This situation requires the close attention, not only of governments, but of all those engaged in agriculture to assure maximum production at minimum cost and the adoption of policies which will assist in stabilizing the industry as much as possible.

That our farmers have substantially improved their position during the last decade is indicated by the fact that between 1937 and 1949 farm mortgages in Alberta, as reported by 30 Mortgage Companies, decreased in number from 13,177 to 3,815 and in amount from \$39,700,000 to \$8,714,000. From 1936 to 1948 the value of farm property increased from \$685,000,000 to \$1,337,461,000, while the net income of Alberta farmers increased from \$90,000,000 in 1941 to \$302,000,000 in 1948.

Notwithstanding the present uncertainties, those engaged in agriculture in this Province may anticipate reasonably satisfactory returns during the coming year and farmers are urged not to reduce or curtail production prematurely.

### NATURAL RESOURCES

The total value of production from our natural resources in 1949 is estimated at \$120,816,798 as compared with \$99,000,000 for the previous year, an increase of \$21,816,798.

During the year, the value of lumber, ties and pulpwood products declined by approximately \$5,000,000. The production for 1949 was valued at \$13,113,000 as compared with \$18,094,000 in 1948. This decrease was due to lower prices for timber products and also to reduced production. The revenues received by the Province from lumbering operations in 1949 amounted to \$1,736,800.

Coal production for the year increased by 600,000 tons, with a total output of 8,700,000 tons, valued at over \$44,541,000, as compared with 8,100,000 tons, valued at \$41,875,000 in 1948.

Salt production totalled 28,659 tons, valued at \$286,590.

During 1949, the large scale development of Alberta's vast oil resources reached proportions commanding both national and international attention. Since the discovery of the Leduc field in 1947, the exploration and development program has steadily gained momentum. Approximately \$25,000,000 was spent in Alberta in the search for oil in 1947; \$50,000,000 in 1948; \$100,000,000 in 1949 and it is estimated that in 1950 over \$150,000,000 will be spent in the work of exploration and development. The footage drilled in exploration and development was 882,358 feet in 1947, 1,663,687 feet in 1948, 3,201,897 feet in 1949, making a total of 5,747,942 feet or 1,089 miles for the three-year period. The discovery of the Redwater field in 1948 added a minimum of 450,000,000 barrels of oil to Alberta's proven reserves.

The year 1949 saw Alberta oil production far surpass the amount required to supply all of the Prairie Provinces and the indications are that if the present rate of development can be maintained our production will be equal to the total Canadian requirements within the next four or five years. In 1948, Alberta's total oil production was 10,973,583 barrels from 714 wells which was increased to 20,246,466 barrels from 1,216 producing wells in 1949. Extensive exploration for new fields in 1949 resulted in the discovery of the Joseph Lake Oil Pool, 24 miles east of Edmonton, and the Golden Spike Field, containing the Schoepp Well, which obtained production in April, 1949, from the D3 Reef, with a pay zone of 545 feet. Since that time two further successes of major importance have been obtained in the same area.

A new field was discovered in the Stettler area when The N. J. Ellis Well was brought into production on June 14th, 1949, and three additional wells in the same field have since been brought into production.

The Normanville well, located 25 miles south of the Town of Peace River, was put on production on October 12th, 1949, and added another potential field in an entirely new area of the Province.

Other important discoveries during the year include the Simmons Well, a southward extension of the Redwater field, and also discoveries at Excelsior, Bon Accord and White Mud.

During the year there were 85 drilling rigs actively engaged, while geophysical exploration was carried on by 85 exploration units. It is interesting to note that Alberta is now second only to Texas in world geophysical exploration activity. At the end of 1949, there were 300 companies, including subsidiaries, actively engaged in exploration and development work. As of the same date there were 7,003 Government leases and reservations covering 40,395,508 acres of Crown reserves in addition to approximately 16,000,000 acres on which the mineral rights are privately owned.

Prairie refinery capacity at the end of 1949 was approximately 76,430 barrels daily, while a substantial further increase is expected in 1950 with the erection of the Imperial Oil Refinery at Winnipeg and the erection in Edmonton of refineries by McColl Frontenac and the British American Oil Companies.

At the present time the Prairie Provinces are the sole marketing area for Alberta crude oil due to the prohibitive costs of transporting oil by rail to Eastern Canada and the United States in competition with United States and South American crude.

Considerable relief from this situation is expected by the end of 1950 with the completion of the interprovincial pipe line through Regina to the head of the Great Lakes at Superior, Wisconsin. It is estimated that this pipe line together with local requirements will provide an outlet for approximately 130,000 barrels of Alberta crude oil daily.

Natural gas production for the year amounted to 67,093,000 mcf valued at \$3,355,000. The proven gas reserves of the Province were substantially increased during the year due to the many new gas discoveries in conjunction with the search for oil.

The Government currently is receiving many enquiries as to its policy in the matter of exporting natural gas under the provisions of The Gas Resources Preservation Act and a re-statement of the Government's position would be appropriate at this time.

The Government's first and foremost responsibility is to protect the interests and welfare of the people of this Province and we are determined to carry out this responsibility to the best of our ability. To this end, no application for the export of natural gas will be given favorable consideration until such time as the Government is satisfied beyond question that under sound conservation and proration practices there are sufficient gas reserves to meet the present and future domestic and industrial requirements of this Province.

When fully satisfied that a surplus exists, over and above these requirements, sufficient to justify export under sound conservation and proration practices, the Government will approve the export of such surplus with each application being considered on its own merits and in the light of all prevailing circumstances. Furthermore, it will be a condition of any export permit that Canadian requirements must be given first priority.

## WATER RESOURCES

The year 1949 witnessed further progress in the development of important irrigation projects in the drought areas of Southern Alberta.

The completion of the Jensen storage dam and main supply canal at a cost of approximately \$735,000 marks an important step in the St. Mary and Milk River development project. In addition, four contracts amounting to \$215,177 have been let for the construction of a distribution system in the Big Bend area, northeast of Taber, and work on this project already is under way.

During the year, the Government of Canada continued with the construction of the St. Mary's dam and a satisfactory conclusion to current negotiations between the Government of this Province and the Government of Canada in respect to this and other large-scale irrigation projects is anticipated at an early date.

Another major project on which good progress was made during the year is the Spray Lake hydro electric power development undertaken by the Calgary Power Company.

The main reservoir under construction at Spray Lake will have a storage capacity of 170,000 acre feet and ultimately will add 88,600 horsepower to the capacity of the hydro electric network in Alberta. The power will be generated at the Three Sisters plant in Goat Valley, and at the Spray plant near Canmore.

### INDUSTRIAL DEVELOPMENT

Alberta's industrial development program showed gratifying progress during 1949. Forty-three new industries were established during the year, involving capital construction in excess of \$20,000,000 and providing employment for over 600 employees.

In addition to new industries many companies, already established in the Province, expanded their plant facilities during the year. The Government has adhered to its policy of vigorously promoting the progressive but orderly industrial development of the Province in the best interests of the people as a whole by actively encouraging and assisting both private enterprise and co-operative effort.

As an integral part of this policy, loans amounting to \$2,329,000 have been granted to new industries under The Alberta Industrial Corporation Act passed by the Legislature in 1946. The payments on loans total \$833,000, leaving a balance of \$1,500,000 outstanding as at December 31st, 1949. These loans have been granted to diversified industries, including assistance for the purchase of 28 oil well drilling rigs, and eight seismic and exploration drilling units.

Aid has been extended to plants for the manufacture of propane gas, roofing materials, clothing, concrete, pipe, drilling clays and other industries which previously were not represented in the Province.

### CO-OPERATIVE ACTIVITIES

During the year, 39 new Rural Electrification Co-operative Associations were formed, bringing to 80 the total of such associations in operation at the end of the year. Twenty-nine of the new associations were granted provincial guarantees amounting to \$670,136, making total guarantees to Rural Electrification Associations, under The Co-operative Marketing Associations Guarantee Act, \$821,104 as at December 31st, 1949. Approximately 9,000 farms in the Province are now being served with electrical power, and it is expected that this number will be substantially increased during 1950.

As at December 31st, 1949, 374 Consumer and Marketing Co-operative Associations were in operation as compared with 345 at December 31st, 1948. Complete returns are not yet available but it is expected that the volume of business transacted by these associations during the year will be in the neighborhood of \$150,000,000.

Two hundred and six Credit Unions, with assets of \$3,982,117 and with an aggregate membership of 27,098, were in operation at the end of the year.

Since the inception of the first Credit Unions in the Province in 1938, loans to members have exceeded \$14,000,000. The operation of these various co-operative organizations has proven beneficial both to their members and to the economy of the Province as a whole. The Government will continue to assist in the organization of Co-operative Associations and to aid them financially through the provisions of The Alberta Co-operative Marketing Associations Guarantee Act.

### **ALBERTA HAIL INSURANCE BOARD**

The Alberta Hail Insurance Board has now completed its 12th year of successful operations, during which time approximately 144,000 policies, covering 23,600,000 acres of crops, have been issued and claims have been paid on approximately 3,100,000 acres.

Reserves of the Board as at December 31st, 1949, total \$1,870,000, of which more than \$1,800,000 is held in cash or invested in Dominion of Canada and Provincial bonds.

During 1949, 8,836 farmers insured 1,600,000 acres of crops, involving a risk liability to the Board of \$10,306,862. The premiums charged for this protection amounted to \$852,491, averaging approximately fifty cents per acre.

During the 12 years of operation out of a total premium income of approximately \$11,000,000, only \$295 remains uncollected, a record which indicates the loyal support and co-operation of the farmer policyholders and the efficient management of the Board.

In 1948, the Board inaugurated a policy of paying dividends or rebates to policyholders and this policy is being continued for the ensuing year.

Policyholders who paid cash with their applications received a discount of 5% and will receive a dividend of 10%, while those who paid premiums on a term basis will receive a dividend of 10% providing payment of premium was made prior to November 1st. Dividends are payable only to those policyholders who did not file claims for hail damage.

### **TREASURY BRANCHES**

The volume of business transacted through the Provincial Treasury Branches continued to increase during the past year. Deposits by the public as at December 31st, 1949, totalled \$30,073,654, representing 57,205 depositors, an increase of \$1,121,143 in deposits and 552 accounts over the previous year.

Treasury Branch loans at December 31st, 1949, totalled \$9,436,000, and comprised 3,860 borrowing accounts, including loans of \$1,157,000 to School Districts and Municipalities, and \$1,980,000 to Co-operative Associations and other government guaranteed accounts.

The revenue for the fiscal year ended March 31st, 1949, shows an excess of revenue over expenditure of \$109,350 from which an amount of \$70,000 was transferred to a Reserve Fund for bad and doubtful debts.

Cash on hand as at December 31st, 1949, amounted to \$4,004,000, and investments from the Depositors' Reserve Trust Fund includes \$17,550,000 in Dominion of Canada bonds.



As at December 31st, 1949, 45 branches, 15 sub-branches and 108 agencies were in operation, all of which were inspected during the year by the Inspection Staff.

Provision has been made in the estimates for the addition of four new branches during the coming year.

### **PUBLIC ACCOUNTS—1948-49**

The Public Accounts for the fiscal year ended March 31st, 1949, have been tabled and released to the public, and it is, therefore, unnecessary for me to provide further detailed information concerning the various financial operations for the past year.

It will be gratifying to the Members of this Assembly and to the public generally to note that the continued buoyancy of provincial revenues and particularly the increase in revenue from the development of our oil resources resulted in an over-all surplus on Income and Capital Accounts of \$7,528,303, after providing \$639,954 for debt retirement.

### **CURRENT FISCAL YEAR, 1949-50**

The interim financial statement for the nine months' period ended December 31st, 1949, has been furnished to the Members of the Assembly.

The statement is on a cash basis and shows an over-all surplus of \$14,429,061 for the nine months' period after providing \$645,400 for debt retirement.

Since December 31st, this surplus has been substantially increased by further revenues received from the sale of oil development leases on Crown reserves, concerning which I will give a more detailed summary when dealing with the estimated receipts and expenditures for the ensuing year.

### **PUBLIC DEBT**

The Public Accounts show that the net funded and unfunded debt of the Province as at March 31st, 1949, amounted to \$129,860,281. The net funded debt, which represents the entire Debenture and Treasury Bill indebtedness, amounted to \$120,826,204, a decrease of \$621,454 during the fiscal year.

The unfunded debt of \$9,034,077 is made up of the following liabilities:

Province of Alberta Savings Certificates.....	\$1,030,964
Public Service Pension Fund.....	6,051,904
Accounts Payable and Miscellaneous Liabilities.....	1,951,209
Total Unfunded Debt.....	<u>\$9,034,077</u>

This is an increase of \$2,507,057 as compared with the unfunded debt at March 31st, 1948, mainly due to the Province's increased liability to the Public Service Pension Fund under the more generous provisions of The Alberta Public Service Pension Act passed by this Legislature in 1947.

For the information of the honorable Members and the public generally, the following statement sets out the position of the Public Debt at the end of each fiscal year from March 31st, 1936, to March 31st, 1949, and indicates the steady progress that has been made in carrying out the Govern-

ment's policy of reducing progressively the Public Debt to the end that our people at the earliest possible date may be relieved entirely of the burden of annual debt service charges.

	Total Net Funded and Guaranteed Debt	Unfunded Debt	Net Funded Unfunded and Guaranteed Debt
March 31, 1936.....	\$ 148,613,389	\$ 18,413,755	\$ 167,027,144
March 31, 1937.....	148,652,978	17,051,783	165,704,761
March 31, 1938.....	148,694,274	15,708,842	164,403,116
March 31, 1939.....	148,466,657	15,386,741	163,853,398
March 31, 1940.....	147,928,702	8,573,071	156,501,773
March 31, 1941.....	146,993,356	8,247,815	155,241,171
March 31, 1942.....	146,050,720	7,892,859	153,943,579
March 31, 1943.....	144,914,660	7,696,473	152,611,133
March 31, 1944.....	143,747,773	7,531,414	151,279,187
March 31, 1945.....	142,763,075	7,396,744	150,159,819
March 31, 1946.....	141,087,449	5,414,315	146,501,764
March 31, 1947.....	139,300,470	5,767,853	145,068,323
March 31, 1948.....	121,504,157	6,527,020	128,031,177
March 31, 1949.....	120,864,203	9,034,077	129,898,280

(Funded debt figures include net guaranteed debenture debt which appear in the Public Accounts under Indirect Liabilities. Under the debt reorganization program of 1945 these guaranteed debentures were replaced by debentures which are direct liabilities of the Province.)

These figures show that during the period between March 31st, 1936, and March 31st, 1949, the total net funded and guaranteed debt of the Province had been reduced by \$27,749,186, while the total unfunded debt had been reduced by \$9,379,678, making a total reduction of \$37,128,864.

Pursuant to the terms of the Alberta debt reorganization program of 1945, \$79,892,908 of our unmatured debentures are callable at par on sixty days' notice at the option of the Province on or after June 1st, 1950. It is the intention of the Government to take advantage of this call feature to call and retire from accumulated surpluses all of our outstanding callable debentures payable in Canadian currency, amounting to \$14,486,100 and all of our callable debentures payable in Sterling, amounting to \$4,092,308.

The retirement of these debentures together with other maturing issues, amounting to \$691,400, will result in a further reduction in our provincial funded debt by June 1st, 1950, of \$19,269,808. This debt reduction will be effected at a cost to the Province of \$17,773,733 due to the discounted price at which pounds Sterling can be purchased with Canadian currency at the present time.

Subject to any further adjustments in the unfunded debt, the net result of this step will be that from the first year when this Government was responsible for the fiscal policy of the Province until June 1st, 1950, the total Public Debt will have been reduced by \$56,398,672 from \$167,027,144, representing \$216.15 per capita, as at March 31st, 1936, to \$110,628,472, representing \$127.16 per capita, at June 1st, 1950.

The savings to the taxpayers of the Province, resulting from the call and retirement of the \$18,578,408 of Canadian and Sterling pay bonds, will be in excess of \$8,500,000, made up as follows:

Saving on Principal due to the present discount on pounds Sterling.....	\$1,496,075
Saving on Interest due to Debt Retirement.....	7,035,000
Total Saving.....	\$8,531,075

This saving will result in a reduction of approximately \$600,000 a year in the amount the Province will be required to pay to meet its annual debt service charges between the years 1950 and 1961.

The balance of the Province's callable debt amounting to \$61,278,500 is payable in United States currency at the option of the holders. Owing to the present premium on United States dollars purchased with Canadian currency, it would not be in the Province's interest to call and retire any bonds on which it would be necessary to pay the prevailing premium on United States dollars. However, investigations do indicate that very substantial savings can be made by a refunding in the United States of the Province's American pay callable bonds and negotiations to that end currently are taking place. I am hopeful before the end of the present session to be able to report to the Legislature the successful consummation of these negotiations and the very substantial further savings to the people of the Province which will result therefrom.

### ESTIMATES Fiscal Year Ending March 31st, 1951

May I now direct the attention of the Assembly to the estimated Revenue and Expenditure for the fiscal year, ending March 31st, 1951. Copies of the detailed estimates have been tabled which include estimated expenditures on both Income and Capital Accounts and provision for ordinary debt retirement, in order to arrive at our budgetary requirements.

A summary of the total estimated over-all requirements in both Income and Capital Accounts for the coming year is as follows:

Estimated Revenue—Income Account .....	\$74,789,530
Estimated Ordinary Expenditures—Income Account.....	50,715,231
Estimated Surplus—Income Account.....	24,074,299
Debt Retirement.....	303,000
Estimated Surplus—Income Account .....	<u>\$23,771,299</u>
Estimated Receipts—Capital Account.....	\$ 2,423,700
Estimated Payments—Capital Account.....	23,658,560
Estimated Net Capital Payments.....	21,234,860
Less: Estimated Surplus—Income Account.....	23,771,299
Estimated Surplus on Income and Capital Accounts.....	<u>\$ 2,536,439</u>

The estimated revenues on Income Account, shown by Departments and compared with the Estimates for the current year, are as follows:

### REVENUE—INCOME ACCOUNT

Department	1950-51	1949-50	Increase	Decrease
Legislation.....	\$ 5,065	\$ 4,660	\$ 405	
Agriculture Department.....	297,000	259,500	37,500	
Agriculture Department (Water Resources Branch).....	19,000	19,000		
Attorney General's Department.....	1,624,450	1,345,650	278,800	
Education Department.....	184,000	225,500		\$41,500
Municipal Affairs Department.....	36,150	54,200		18,050
Provincial Secretary's Department.....	13,244,000	10,896,050	2,347,950	
Public Health Department.....	859,200	694,050	165,150	
Public Works Department.....	3,401,765	2,822,865	578,900	
Treasury Department—Dominion Government Subsidies.....	2,063,000	2,018,000	45,000	
Treasury Department—Dominion-Provincial Tax Agreement, 1947.....	16,087,000	15,400,000	687,000	
Treasury Department.....	13,039,000	11,612,000	1,427,000	
Industries and Labour Department.....	186,400	161,000	25,400	
Public Welfare Department.....	56,000	36,000	20,000	
Economic Affairs Department.....	1,000		1,000	
Lands and Forests Department.....	2,630,000	2,263,525	366,475	
Mines and Minerals Department.....	21,056,500	22,671,000	8,385,500	
	<u>\$74,789,530</u>	<u>\$60,483,000</u>	<u>\$14,366,080</u>	<u>\$59,550</u>

A net increase of \$14,306,530

### REVENUE

The major increases in revenue as compared with the 1949-50 estimates are anticipated from the still further expansion of Alberta's natural resources development program, particularly in the field of oil and gas.

The increased revenues from this source forecast in the estimates are as follows:

#### Petroleum and Natural Gas:

Fees and Rentals—\$4,000,000—an increase of.....	\$2,250,000
Royalties on Petroleum Products—\$2,800,000—an increase of.....	50,000
Sales of Development Rights on Crown Reserves—\$12,000,000—an increase of.....	5,500,000
Total Estimated Increase in Revenue from Oil Development.....	<u>\$7,800,000</u>

It is quite probable that this estimated increase may be exceeded by additional sales of oil development rights on Crown reserves. The honorable Members will appreciate that it is extremely difficult to forecast accurately the amount of revenue that will accrue from competitive bidding on oil development rights on Crown reserves, particularly in view of the fact that the number of such sales during each year must be carefully regulated and timed to assure the maximum encouragement to orderly development and, at the same time, the maximum returns to the people of the Province.

Additional increased revenue amounting to \$196,000 from petroleum and natural gas fees, rentals and royalties, and the sale of development rights on school lands also is anticipated and a further increase of \$300,000 is expected from The Mineral Taxation Act. It is estimated that revenue from timber permits will increase by \$50,000, while grazing permits show a decrease of \$25,000 due to a larger portion of the fees being returned to the Municipalities.

Revenue from the Fuel Oil Tax shows an increase of \$1,700,000, while automobile owners' certificates will produce an additional \$300,000, based on the actual receipts for the present fiscal year. Revenues from The Amusement Tax Act are expected to increase by \$275,000.

Grants from the Dominion Government in connection with Cancer Treatment, Hospital Construction and Health Services, estimated at \$1,556,000, are shown in the estimates as reimbursements in the expenditure section. This amount represents an increase of \$95,000 over the amount estimated for the current year.

Liquor profits for 1950-51 are estimated at \$10,300,000, as compared with \$9,500,000 for 1949-50, an increase of \$800,000.

An increase of \$687,000 is anticipated from grants payable to the Province under the terms of the Dominion-Provincial Tax Transfer Agreement, due to an increase in the population of the Province and the gross national product of the Dominion.

An increase of \$300,000 is expected from interest earnings on surplus revenue funds, while Treasury Branch earnings during the ensuing year are expected to increase by \$116,000.

Estimated revenue from registration and certificate fees on trucks is increased by \$500,000; and fees under The Land Titles Act are expected to yield \$140,000 more than the amount estimated last year.

Honorable Members will be interested to note that the percentage of total provincial revenue accruing from various sources is undergoing a significant change as indicated by the following table:

Percentage of revenue on Income Account from various sources on a comparative basis for the fiscal years 1948-49, 1949-50 and 1950-51:

	1948-49	1949-50	1950-51
Dominion-Provincial Tax Transfer Agreement .....	34.53%	28.80%	24.25%
Car and Truck Licenses, etc., and Gasoline Tax .....	24.50	21.17	20.50
Liquor Board Profits .....	19.90	15.70	13.75
Natural Resources .....	10.90	24.69	31.75
All Other Sources .....	10.17	9.64	9.75
Total .....	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

From these figures it will be noted that monies accruing to the Public Treasury from the orderly development of our natural resources have replaced taxation as our major source of income and will account for approximately one-third of our total provincial revenue for the ensuing year.

The total expenditures on Income Account are estimated at \$51,018,231 as compared with \$47,236,000 for the current year, an estimated net increase of \$3,782,231.

The total estimated expenditures by Departments are as follows and I shall give the estimates for the current year for the purpose of comparison:

**EXPENDITURE—INCOME ACCOUNT**

<b>Department</b>	<b>1950-51</b>	<b>1949-50</b>	<b>Increase</b>	<b>Decrease</b>
Public Debt Service Charges.....	\$ 5,577,000	\$ 5,633,000		\$ 56,000
Executive Council.....	688,775	647,040	\$ 41,735	
Legislation.....	388,175	373,875	14,300	
Agriculture Department.....	1,380,946	1,324,967	55,979	
Agriculture Department (Water Resources Branch).....	89,270	101,190		11,920
Attorney General's Department.....	1,760,057	1,520,998	239,059	
Education Department.....	11,220,770	10,232,742	988,028	
Municipal Affairs Department.....	347,430	281,795	65,635	
Provincial Secretary's Department.....	356,345	325,670	30,675	
Public Health Department.....	8,586,969	7,570,412	1,016,557	
Public Works Department.....	9,113,993	7,650,200	1,463,793	
Railways and Telephones Department (Railways Branch).....	18,786	19,527		741
Treasury Department.....	1,577,000	1,495,202	81,798	
Industries and Labour Department.....	384,750	338,980	45,770	
Public Welfare Department.....	6,385,304	6,726,326		341,022
Canadian Vocational Training.....	257,595	249,358	8,237	
Economic Affairs Department.....	414,200	410,292	3,908	
Lands and Forests Department.....	1,622,260	1,534,356	87,904	
Mines and Minerals Department.....	545,606	457,070	88,536	
Total Ordinary Expenditure.....	\$50,715,231	\$46,893,000	\$4,231,914	\$ 409,683
Debt Retirement.....	303,000	343,000		40,000
Total Expenditure.....	\$51,018,231	\$47,236,000	\$4,231,914	\$ 449,683

A net increase of \$3,782,231

The net increase in expenditures of \$3,782,231 in Income Account as compared with the estimates of last year is accounted for as follows:

The largest appropriation is for the Department of Education which is allotted \$11,220,770, an increase of \$988,028 over the amount approved by the Legislature last year. Of this increase, \$850,000 has been allocated for increased grants to schools which now total \$7,850,000. Provincial grants to the Teachers' Pension Fund have been increased by \$135,000 to a total of \$550,000. An increase of \$100,000 is provided in the grant to the University of Alberta, bringing the total to \$1,400,000.

Estimated expenditures for the Department of Public Health amount to \$8,586,969, after deducting reimbursements from the Dominion Government amounting to \$1,556,000, and represents an increase of \$1,016,557 over the estimates for the current year.

A new appropriation of \$703,000 is provided for special hospitalization grants to local authorities who make available to their ratepayers public ward hospitalization at a rate not in excess of \$1.00 per day. These grants will be paid on the basis of 50% of the net cost of public ward hospitalization assumed by the local authorities and based on approved maximum daily rates for each classification of hospitals.

The regular *per diem* grants to hospitals amount to \$975,000 and an appropriation of \$962,000, which is an increase of \$42,000 over last year, has been provided for the care of tubercular patients.

The sum of \$804,000 is provided for maternity hospitalization and \$268,000 for cancer treatment as compared with \$228,000 allotted for the current year.

The cost of treatment and medical services for pensioners will amount to \$1,022,000, an increase of \$131,000, while \$906,000 is provided for health services coming under the Federal Government's health program,

which amount will be reimbursed to the Province by the Government of Canada.

One million dollars, the same amount as last year, has been provided for hospital construction grants, 50% of which will be reimbursed by the Federal Government. Higher operating costs have necessitated an increase of \$152,000 for the operation of Provincial Mental Institutions, raising total requirements for this purpose to \$2,508,000.

Total appropriations for the Department of Public Welfare amount to \$6,385,304, which includes provision for an increase of \$2.50 per month in the provincial supplementary old age pension. This raises the supplementary pension to \$10.00 a month. This supplementary pension is paid entirely by the Province and is not subject to a means test or any special residence qualifications. This adjustment in the supplementary pension increases the maximum monthly old age pension in this Province to \$50.00. The amount provided for old age and blind pensions is \$10,348,000, an increase of \$1,858,000 over the estimates for the current year. Reimbursements from the Dominion Government are estimated at \$6,209,000.

The sum of \$810,000 is provided for Mothers' Allowances and \$50,000 for the treatment and hospitalization of children suffering from arthritis. One hundred and fifty-seven thousand dollars is provided for the operation of the Rosehaven Home for the Aged at Camrose.

Estimates for the Department of Municipal Affairs total \$347,000, an increase of \$65,000 over the estimated expenditures for the current year.

Treasury Branch estimates are increased by \$90,000 to a total of \$1,079,000. Total revenue from Treasury Branches is expected to exceed estimated expenditures by approximately \$117,000.

An appropriation of \$50,000 to provide grants to Municipalities in lieu of taxes on Provincial Government buildings used for commercial purposes is being continued.

Under the Department of Economic Affairs, you will note a new appropriation of \$25,000 for the operation of a Rental Adjustment Board as provided for in legislation which will be introduced to this session for the consideration of the Assembly.

The Department of Public Works estimates on Income Account total \$9,113,000, an increase of \$1,463,000. One million, seven hundred and fifty thousand dollars has been provided for the maintenance of main highways, an increase of \$250,000 over the estimates for the current year.

Grants to Municipal Districts for road construction and improvement are increased to \$2,050,000, which is an increase of \$450,000 over the estimates for the current year.

Road grants to Improvement Districts, totalling \$1,400,000, show an increase of \$400,000 over the current estimates while grants to Special Areas have been increased from \$60,000 to \$70,000.

The honorable Members will agree that these increases are substantial and the total amounts appropriated will do much to assist our people in all rural communities in meeting the heavy costs involved in providing adequate secondary and market roads.

In addition to the appropriations I have mentioned, the sum of \$550,000 is provided for grants to Municipal Districts to assist in the construction of local bridges.

### CAPITAL

May I now direct your attention to the Capital Section of the Estimates.

The Estimated receipts for the year total \$2,423,700, a net increase of \$135,700, as compared with the estimates for the present fiscal year. The details are as follows:

#### RECEIPTS—CAPITAL ACCOUNT

Department	1950-51	1949-50	Increase	Decrease
Executive Council.....	\$1,304,600	\$1,148,000	\$ 156,600	
Agriculture Department.....	100,000	232,000		\$ 132,000
Agriculture Department (Water Resources Branch).....	293,800	324,400		30,600
Municipal Affairs Department.....	24,000	60,000		36,000
Public Works Department.....	164,700	17,600	147,100	
Treasury Department.....	411,000	416,000		5,000
Lands and Forests Department.....	125,600	90,000	35,600	
Total Receipts.....	<u>\$2,423,700</u>	<u>\$2,288,000</u>	<u>\$339,300</u>	<u>\$203,600</u>

A net increase of \$135,700

Contributions by employees and the Government to the Pension Fund account for \$156,600 under Executive Council, and an increase in Construction Grants from the Dominion of \$147,000 make up the increase under the Department of Public Works.

Payments on Capital Account are estimated at \$23,658,560, a net increase of \$5,696,560 over the total provided for the present year. The details, by Departments are as follows:

#### PAYMENTS—CAPITAL ACCOUNT

Department	1950-51	1949-50	Increase	Decrease
Executive Council.....	\$ 500,000	\$ 450,000	\$ 50,000	
Agriculture Department.....	130,000	210,000		\$ 80,000
Agriculture Department (Agricultural Relief).....	6,000	13,810		7,810
Agriculture Department (Water Resources Branch).....	607,360	739,850		132,490
Municipal Affairs Department.....		1,500		1,500
Public Works Department.....	21,481,900	15,667,150	5,814,750	
Treasury Department.....	29,000	131,000		102,000
Lands and Forests Department.....	879,300	743,690	135,610	
Mines and Minerals Department.....	25,000	5,000	20,000	
Total Payments.....	<u>\$23,658,560</u>	<u>\$17,962,000</u>	<u>\$6,020,360</u>	<u>\$323,800</u>

A net increase of \$5,696,560

The honorable Members will observe that the amount of \$23,658,560 proposed for capital expenditures represents an all-time record and reflects the Government's conviction that a vigorous program of capital construction is necessary to the progressive development of our Province in the best interests of our people as a whole.

Provision is made for Public Works projects totalling \$21,481,000, an increase of \$5,814,000 over the current year. This sum includes an appropriation of \$11,730,000 for the construction and improvement of main provincial highways, an increase of \$2,730,000 over the amount provided last year. This increased appropriation will permit the acceleration of the Government's comprehensive road construction program, the objective



of which is to provide all populated areas of the Province with an adequate system of all-weather main highways as rapidly as circumstances permit.

Authority to spend an additional \$2,000,000 as part of the Province's share of the cost of constructing the proposed Trans-Canada highway through Alberta will be sought by legislation which will be introduced during the present session. The expenditure of this money will be conditional upon a satisfactory agreement being consummated between the Government of Alberta and the Government of Canada during the ensuing year.

The sum of \$1,230,000 is provided in the estimated capital expenditures for the construction of bridges on main highways and provincial roads, an increase of \$230,000 over the amount provided in the estimates for the current year.

In the matter of public buildings, it is the Government's intention during the ensuing year to consolidate the large scale building program currently under way by confining expenditures as far as possible to the completion of buildings already under construction. To this end the sum of \$7,392,550 is provided, representing an increase of \$2,200,000 in excess of the estimates for the present year. Of this appropriation, \$1,000,000 will be required to complete the new wing of the University Hospital and \$750,000 to complete the Aberhart Memorial Sanatorium.

To provide necessary accommodation for the nursing staff for the new wing of the University Hospital, the sum of \$185,000 is provided towards the enlargement of the present Nurses' Home, which is expected to cost approximately \$365,000 over a two-year period.

Accommodation for the nursing staff for the Aberhart Memorial Sanatorium will require the erection of an additional nurses' residence for which purpose the sum of \$100,000 is provided and \$75,000 will be required for the erection of necessary utility buildings in connection with the Sanatorium.

The sum of \$300,000 is provided for the erection of the second wing of the T.B. Hospital at the Mental Institute at Oliver; \$75,000 to complete the Garage and Boiler House at the Central Alberta Sanatorium at Calgary; and \$75,000 to complete alterations at the Provincial Training School at Red Deer.

The sum of \$800,000 has been provided towards the construction of a new Administration Building at Edmonton on which work already has been commenced.

Provision has been made for the erection of a new Land Titles Building at Edmonton at an estimated cost of \$700,000, while \$300,000 is allocated for the erection of provincial buildings at Grande Prairie and Drumheller.

The sum of \$400,000 will be necessary to complete the new Agricultural School at Fairview; \$300,000 to complete the Provincial Laboratory at Edmonton; and \$480,000 to complete the Rutherford Library at the University of Alberta.

The Students' Union Building on the University campus is near completion and the sum of \$75,000 is provided as an interest-free repayable advance towards the completion of this project.

The sum of \$250,000 is provided for necessary power plant expansion at the University.

Additions to the Provincial Gaols at Fort Saskatchewan and Lethbridge will require an expenditure of \$308,000, and \$315,000 is provided for the erection of a new provincial institution for those guilty of minor offences.

While dealing with capital expenditures, I would like to make reference to the Government's policy of allocating to capital construction or the retirement of debt incurred for capital construction all revenues accruing to the Province from the sale of oil development leases and from oil royalties other than on school lands. The following figures indicate the position in respect to this policy since it was initiated in 1948-49.

Revenue from oil development:

1948-49 .....	\$10,339,783
1949-50 .....	25,532,891
1950-51 (Estimated) .....	14,800,000
Total .....	<u>\$50,672,674</u>

During the same period capital expenditures for provincial construction projects were as follows:

1948-49 .....	\$16,790,105
1949-50 .....	15,327,359
1950-51 (Estimated) .....	21,344,980
Total .....	<u>\$53,462,444</u>

From these figures it will be seen that unless revenue from oil development exceeds the amount estimated for the ensuing year, the Province will have spent on capital construction for the three-year period ending March 31st, 1951, the sum of \$2,789,770 more than the total amount of revenue accruing to the Province from the development of our oil resources during the same period.

In addition to the appropriations for the construction of highways, bridges and necessary public buildings, to which I have already made reference, the capital estimates for the ensuing year include an appropriation of \$500,000 for an aerial survey of all the forested areas of the Province for the purpose of obtaining information necessary to facilitate the development and proper use of our timber and soil resources.

The sum of \$1,250,000 is provided for the East Rockies Forest Conservation program, which sum will be reimbursed to the Province by the Government of Canada.

The sum of \$75,000 for the destruction of agricultural pests has been provided and a further sum of \$25,000 is included to provide for the preparation of land following the completion of irrigation projects in the southern areas of the Province, while for actual irrigation projects the sum of \$400,000 is provided in the Water Resources Section of the Department of Agriculture.

In addition, legislation will be introduced at the present session authorizing the Government to spend an additional \$2,000,000 on large scale irrigation development projects, conditional upon a satisfactory agreement being finalized between the Government of Alberta and the Government of Canada covering the fair and equitable allocation of costs between the two Governments.

While dealing with the subject of capital expenditures, there are two matters to which I would like to make particular reference. Both involve

legislation which will be introduced at the present session and both are related to the Government's policy of extending to municipal authorities every reasonable measure of assistance in meeting the rising costs of municipal administration.

The first matter has to do with the heavy financial burden imposed on municipal taxpayers by reason of the large sums of money which it is necessary for them to raise through additional taxation or by the sale of debentures to meet the heavy capital expenditures involved in the construction of schools. In addition to construction financed by special tax levies for capital purposes, there are outstanding at the present time some \$12,544,000 of school debentures bearing interest at rates ranging from 3½% to 7%. It is estimated that further necessary borrowings for the erection of new schools will increase this amount by \$30,000,000 to \$40,000,000 during the next ten years.

To ease the financial burden which such borrowings impose on municipal taxpayers, the Government proposes to introduce legislation establishing a revolving fund from which School Districts will be able to obtain up to 25% of their approved capital borrowings, without interest, and with equal annual repayments spread over a ten-year period. The legislation will provide that at the time each annual repayment is made 50% of the amount due will be written off, thereby enabling the School District to repay its entire indebtedness to the revolving fund at a rate of fifty cents on the dollar. Provision will be made in the legislation for the application of this same principle to those School Districts which obtained their required capital for approved school construction by the issue of debentures prior to the establishment of the revolving fund.

In addition to the substantial direct financial assistance which School Districts will be able to obtain under this arrangement, it also will have the effect of reducing by 25% the aggregate amount of school debentures required to be sold on the open market, thereby assuring a more ready demand at more favorable rates of interest for such debentures as may be offered for sale. To further assist School Districts in obtaining the lowest possible interest rates on debentures offered on the open market, the proposed legislation will empower the Government to guarantee the interest on all school debenture issues approved under the provisions of the Act.

The second matter, likewise, has to do with additional provincial financial assistance to Municipalities. Owing to the rapid development currently taking place in Alberta, many Municipalities are faced with the necessity of obtaining large sums of money for the extension of utilities and other forms of capital construction necessary to progressive municipal development. To assist Municipalities in obtaining the funds necessary for such purposes, the Government proposes to introduce legislation authorizing the Province to loan to Municipalities an aggregate amount of \$5,000,000 from accumulated provincial surpluses at 2% interest for approved self-liquidating municipal development projects upon such terms and within such limits as the legislation will clearly define.

By enabling Municipalities to obtain low cost money from accumulated provincial surpluses, the Government hopes to stimulate a progressive program of municipal development under the most favorable terms possible.

The assistance proposed will encourage self-liquidating municipal improvement projects, facilitate municipal housing projects and increase local employment opportunities. In addition it will obviate the burden of municipal taxation necessary to service comparable to borrowings if obtained by

the sale of municipal debentures on the open market at much higher rates of interest. Furthermore, the substantially lower interest charges proposed will all be retained in the Province and will form part of future provincial revenues to be used in the interest of our people as a whole.

In addition to these new policies and the substantial measure of assistance they will afford to School Districts and Municipalities, the following summary indicates the extent of direct financial aid to Municipalities and Improvement Districts provided in the Budget for the ensuing year:

1. Education	School Grants.....	\$ 7,850,000	
	Grants to Teachers' Retirement Fund.....	550,000	
			\$8,400,000
2. Public Health	Per diem grants to hospitals.....	975,000	
	Special grants to hospitals.....	703,000	
	Hospital construction grants.....	500,000	
			2,178,000
3. Public Works	Grants for Municipal and Improvement District Roads.....	3,520,000	
	Grants for bridges.....	550,000	
			4,070,000
4. Grants to Municipalities in lieu of taxation on various Government buildings.....			50,000
5. Payments to Municipalities of rental fees from grazing leases.....			50,600
			<u>\$14,748,600</u>

In addition to this direct financial assistance the Province, during the past two years, has relieved municipal taxpayers of the following costs:

1. Sixty per cent. of the cost of indigent relief and Child Welfare services.....	\$ 450,000
2. Ten per cent. of the cost of the basic old age and blind pensions, formerly paid by municipal authorities .....	275,000
3. A reduction of the Municipalities' share of the cost of Mothers' Allowances from 25% to 20%.....	40,000
4. The cost of hospitalization for old age and blind pensioners, formerly paid by municipal authorities .....	1,012,000
Total.....	<u>\$1,777,000</u>

These combined figures total \$16,525,600 and represent over 32% of the entire estimated provincial expenditures on Income Account.

In conclusion, I would like to draw to the attention of the honorable Members a significant trend in our provincial revenues and expenditures, and indicate the situation that would prevail were it not for the substantial revenues accruing to the Province from the large scale development of our oil resources.

Total Provincial Revenue on Income Account exclusive of the sale of Crown Development Leases and Oil Royalties other than on School lands for the fiscal year 1948-49.....	\$53,963,859
Total Provincial Revenue on Income Account on the same basis for the fiscal year 1950-51 (estimated).....	59,989,530
An increase of \$6,025,671.	

For the same fiscal years, the total provincial expenditures, exclusive of capital construction, are as follows:

1948-49.....	\$41,207,301
1950-51 (estimated).....	51,018,231

An increase of \$9,810,930.

It will be noted that during the three-year period while revenues, exclusive of oil, increased by \$6,025,671, ordinary provincial expenditures, exclusive of capital construction, increased by \$9,810,930. In other words, the increase in ordinary expenditures, exclusive of capital construction, was \$3,785,259 more than the increase in revenue from all sources, exclusive of oil.

In the fiscal year 1948-49, the surplus of revenue, exclusive of oil, over expenditures, exclusive of capital construction, was \$12,756,558, while for the fiscal year 1950-51 the estimated surplus of revenue, exclusive of oil, over estimated expenditures other than for capital construction will be reduced to \$8,971,299. If it were not for revenues accruing to the Province from the development of our oil resources, these figures would represent the total funds available to the Province for capital construction in the respective fiscal years without resorting to increased taxation or public borrowing. It is significant that on the basis of the estimates for the ensuing year, as the only alternative to increased taxation or public borrowing, it would be necessary to reduce the expenditures proposed for essential capital construction by \$12,373,681 if it were not for the revenue accruing to the provincial treasury from the development of our oil resources.

These facts indicate the favored position we enjoy as citizens of a Province so richly endowed and emphasize our inescapable responsibility to conserve and develop our vast resources as a matter of sacred trust in a manner that will assure the greatest possible benefit to all the people of this Province now and for generations to come.

But it would be a grave mistake to let the favorable position to which we have attained blind us to the increasing indications that all is not well with our Canadian post-war economy as a whole. In closing the Budget Address last year I pointed out that the general prosperity of the war years has been maintained thus far, both in Canada and the United States, primarily by circumstances which are neither permanent or economically sound. I suggested that effective market demand for agricultural and industrial products was being sustained by large scale government spending for defence purposes and by the shipment of vast quantities of goods to European nations under the Marshall Recovery Plan. I pointed out that any substantial change in this set of temporary circumstances that would lessen or remove the artificial stimuli upon which our post-war prosperity has been made to depend, would quickly cause pre-war economic history to be repeated and once more bring to light the inherent defect in our prevailing orthodox money system. The developments of the past year have confirmed the soundness of that observation.

It is increasingly apparent that the Canadian post-war economy today is being threatened by developments bearing a striking similarity to those which marked the economic cycle of pre-war years. Falling markets for primary products, rising unemployment and an increasing backlog of unpurchased goods despite extensive recourse to credit buying are unmistakable symptoms of a serious maladjustment in our national economy. This maladjustment cannot be corrected by treating its symptoms while ignoring its cause. If national prosperity is to be established on a sound foundation and made an enduring reality two basic requirements must be met.

1. Industry must be capable of producing a sufficient quantity of goods to make physically possible a high standard of living for all our people.

2. There must be a constant supply of consumer purchasing power sufficient to make possible the distribution of our entire national production or its equivalent if exchanged for other goods through the process of export and import trade.

Canadian industry, in this land of abundant resources and under a system of individual enterprise, has demonstrated its ability to exceed the production of socialized states and produce sufficient goods to make physically possible a high standard of living for all our people. But past economic cycles have demonstrated with equal conclusiveness that under our present system the aggregate amount of consumer purchasing power distributed in the processes of production is insufficient to make possible the distribution of our entire national production or its equivalent if exchanged for goods of other countries through the process of export and import trade. This chronic shortage of purchasing power is the inherent weakness in our present national economy and is the basic cause of economic recession which must be removed before our people can be permanently free from the haunting fear of social and economic insecurity. It is not enough to rely on government spending for war materials, to bolster incomes sufficiently to sustain effective consumer demand for the peacetime products of industry. Nor is it a practical solution continuously to reduce the quantity of available goods to an inadequate aggregate of consumer purchasing power by destroying or giving away or selling on credit to other countries vast quantities of our production.

The solution requires the intelligent reform of our national monetary system and the introduction of a new method of supplementing the aggregate earned income of the Canadian people. It lies within the sovereign power of the Parliament of Canada to direct the monetization of that portion of our national production for which there exists no equivalent amount of consumer purchasing power and to utilize the monetary fund thus created to maintain the necessary equation between consumption and production. To this basic principle of intelligent monetary reform, the Government of Alberta is unequivocally committed and we shall continue in the future as in the past to strive by every lawful means to bring about this essential adjustment in our national economy.

The Budget I have presented to you today is designed to ensure the continued development of our Province in the best interests of its people as we continue our progress to that goal.

Mr. Speaker, I move that you do now leave the chair and that the Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.



GOVERNMENT OF THE PROVINCE OF ALBERTA  
STATEMENT OF FUNDED DEBT AS AT MARCH 31, 1948

STATEMENT No. 1

Date of Issue	Date of Maturity	Amount Authorized	Amount Outstanding Mar. 31, 1949	Original Interest Rate	Reduced Interest Rate (a)	Currency in which payable (at holder's option)	Denominations
<b>*Debentures and Stock Issued Prior to</b>							
June 1, 1945:	Jan. 15, 1946	\$3,750,000.00	\$ 400.00	4½%	2½%	C, U.S. or S.	\$1,000.00; \$500.00; \$100.00
Jan. 15, 1926	Jan. 2, 1947	3,846,000.00	16,000.00	5½%	2½%	C or U.S.	\$1,000.00
Jan. 2, 1922	Mar. 1, 1947	5,000,000.00	15,000.00	5	2½%	C or U.S.	\$1,000.00; \$500.00
Mar. 1, 1932	Jan. 1, 1948	4,800,000.00	16,000.00	5	2½%	C or U.S.	\$1,000.00
Jan. 1, 1923	Jan. 1, 1948	3,740,000.00	27,000.00	5	2½%	C or U.S.	\$1,000.00
April 15, 1925	April 15, 1950	5,649,000.00	3,000.00	4½%	2½%	C or U.S.	\$1,000.00
Oct. 1, 1931	Oct. 1, 1951	3,000,000.00	11,000.00	5½%	2½%	C or U.S.	\$1,000.00
Oct. 1, 1922	April 1, 1952	1,000,000.00	7,000.00	4½%	2½%	C or U.S.	\$1,000.00
Oct. 15, 1934	Oct. 15, 1949-54	2,850,000.00	12,600.00	4	2	C	\$1,000.00; \$500.00
Dec. 15, 1934	Dec. 15, 1954	3,000,000.00	10,500.00	4	2	C	\$1,000.00; \$500.00; \$100.00
Sept. 1, 1933	Sept. 1, 1955	6,000,000.00	20,000.00	5	2½%	C	\$1,000.00
Oct. 1, 1926	Oct. 1, 1956	1,275,000.00	1,000.00	4½%	2½%	C or U.S.	\$1,000.00
Jan. 15, 1927	Jan. 15, 1957	1,850,000.00	5,000.00	4½%	2	C or U.S.	\$1,000.00; \$500.00
Dec. 1, 1927	Dec. 1, 1957	3,500,000.00	25,000.00	4	2½%	C or U.S.	\$1,000.00
July 16, 1928	July 16, 1958	5,915,000.00	47,500.00	4½%	2½%	C, U.S. or S.	\$1,000.00; \$500.00
Oct. 1, 1928	Oct. 1, 1958	6,000,000.00	27,100.00	5½%	2½%	C, U.S. or S.	\$1,000.00; \$500.00; \$100.00
Oct. 1, 1929	Oct. 1, 1959	3,000,000.00	9,800.00	4½%	2½%	C or U.S.	\$1,000.00; \$500.00; \$100.00
May 1, 1930	May 1, 1960	5,000,000.00	19,400.00	4½%	2½%	C or U.S.	\$1,000.00; \$500.00; \$100.00
April 1, 1931	April 1, 1961	4,866,666.66	405.56	5	2½%	S	\$1,000.00
June 1, 1932	June 1, 1962-67	5,239,500.00	6,000.00	4½%	2½%	C or U.S.	\$1,000.00
June 1, 1927	June 1, 1967		\$ 279,705.56		2½%	C or U.S.	\$1,000.00
<b>**Debentures and Stock Issued as Exchanges under Debt Reorganization:</b>							
June 1, 1945:	June 1, 1961	\$2,794,400.00	\$ 2,794,400.00	3½%		C, U.S. or S.	\$1,000.00; \$500.00; \$100.00
"	" 1962	2,049,000.00	2,036,000.00	"		C or U.S.	\$1,000.00
"	" 1962	847,000.00	847,000.00	"		C or U.S.	\$1,000.00
"	" 1963	1,602,500.00	1,596,500.00	"		C or U.S.	\$1,000.00; \$500.00
"	" 1963	1,398,000.00	1,395,000.00	"		C or U.S.	\$1,000.00
"	" 1964	3,108,000.00	3,099,000.00	"		C or U.S.	\$1,000.00
"	" 1965	124,000.00	124,000.00	"		C or U.S.	\$1,000.00
"	" 1965	3,096,000.00	3,086,000.00	"		C or U.S.	\$1,000.00
"	" 1966	1,875,600.00	1,865,000.00	"		C or U.S.	\$1,000.00; \$500.00; \$100.00
"	" 1966	1,480,000.00	1,454,000.00	"		C or U.S.	\$1,000.00
"	" 1967	1,025,000.00	1,023,000.00	"		C or U.S.	\$1,000.00
"	" 1967	2,431,000.00	2,421,000.00	"		C or U.S.	\$1,000.00
"	" 1968	3,580,000.00	3,531,000.00	"		C or U.S.	\$1,000.00
"	" 1969	3,710,500.00	3,705,500.00	"		C or U.S.	\$1,000.00; \$500.00
"	" 1970	3,844,000.00	3,831,000.00	"		C or U.S.	\$1,000.00; \$500.00
"	" 1971	3,270,500.00	3,254,000.00	"		C or U.S.	\$1,000.00; \$500.00
"	" 1971	712,000.00	710,000.00	"		C or U.S.	\$1,000.00
"	" 1972	1,272,000.00	1,271,000.00	"		C or U.S.	\$1,000.00
"	" 1972	2,854,000.00	2,846,000.00	"		C or U.S.	\$1,000.00
"	" 1973	4,275,000.00	4,262,000.00	"		C or U.S.	\$1,000.00; \$500.00
"	" 1974	1,751,500.00	1,746,500.00	"		C or U.S.	\$1,000.00; \$500.00
"	" 1974	2,677,000.00	2,662,000.00	"		C, U.S. or S.	\$1,000.00
"	" 1975	4,589,000.00	4,537,500.00	"		C, U.S. or S.	\$1,000.00; \$500.00



[illegible][illegible][illegible][illegible]

Summary:	
Debentures and Stock:	
**Issued prior to June 1, 1945.....	\$ 970,705.66
**Issued as exchanges under debt reorganization.....	79,577,303.37
Issued for cash as at June 1, 1945.....	26,184,000.00
(b) Issued for cash subsequent to June 1, 1945.....	2,250,000.00
Treasury Bills.....	\$108,288,907.93
Funded debt.....	12,537,293.87
	<u>\$120,826,203.80</u>

Sterling issues converted at par.

\* Debentures and stock included in debt reorganization offer and outstanding at March 31, 1949.

\*\* Callable before maturity, on any interest date on or after June 1, 1950, with accrued interest, at sixty days' notice.

(a) Reduced interest rates tendered by the Province.

(b) Serial debentures: \$250,000.00 maturing annually on December 1, 1949, to December 1, 1957 inclusive.

Stealing issues converted at par.  
 \* Debtors and secured in debt reorganization offer and outstanding at March 31, 1949.  
 \*\* Callable before maturity on interest basis after June 1, 1950, with accrued interest, at sixty days' notice.  
 (a) Reduced interest rates tendered by the Province.  
 (b) Serial debentures: \$250,000.00 maturing annually on December 1, 1949, to December 1, 1957 inclusive.  
 Abbreviations: C—Canada. U.S.—United States of America.  
 S.—Great Britain.

## STATEMENT No. 2

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

## INCOME ACCOUNT

INCOME ACCOUNT:				Surplus or *Deficit
Year ended Dec. 31st	Particulars	Revenue	Expenditure	
1905	Per Order-in-Council 966/11 .....	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47
1906	" .....	1,425,059.01	1,279,041.44	146,017.57
1907	" .....	1,847,452.61	1,839,064.04	8,388.57
1908	" .....	2,755,900.41	2,079,708.20	676,192.21
1909	" .....	2,511,851.46	2,632,935.53	121,084.07*
1910	" .....	2,071,773.94	3,696,826.86	1,625,052.92*
		\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17*
1911	Per Public Accounts .....	2,802,325.79	3,037,618.45	235,292.66*
1912	" .....	3,419,381.52	3,353,258.48	66,123.04
1913	" .....	4,519,345.19	4,409,795.18	109,550.01
1914	" .....	4,350,836.79	4,446,160.31	95,323.52*
1915	" .....	4,144,040.18	4,742,374.81	598,334.63*
1916	" .....	4,228,974.28	5,006,993.08	778,018.80*
1917	" .....	5,069,303.73	5,712,643.03	643,339.30*
1918	" .....	6,283,336.15	7,132,119.21	848,783.06*
1919	" .....	8,004,476.10	7,905,330.47	99,145.63
1920	" .....	9,005,862.21	8,544,052.16	461,810.05
1921	" .....	8,486,946.25	10,605,155.91	2,118,209.66*
1922	" .....	9,324,889.73	11,235,192.22	1,910,302.49*
1923	" .....	10,419,146.26	10,990,830.00	571,683.74*
1924	" .....	10,506,627.13	11,127,468.55	620,841.42*
1925	" .....	11,531,025.99	11,343,006.45	188,019.54
1926	" .....	11,912,128.27	11,894,327.74	17,800.53
1927	" .....	12,263,400.64	12,479,380.97	215,980.33*
Year ended March 31st:				
1928(3 months)* .....		3,886,495.04	3,390,751.58	495,743.46
1929	" .....	15,265,083.77	13,686,260.68	1,578,823.09
1930	" .....	15,829,865.22	15,402,884.57	426,980.65
1931	" .....	15,710,962.44	18,017,543.54	2,306,581.10*
1932	" .....	13,492,430.28	18,645,481.20	5,153,050.92*
1933	" .....	15,426,264.94	17,533,785.97	2,107,521.03*
1934	" .....	15,178,607.44	17,056,638.86	1,878,031.42*
1935	" .....	15,697,770.48	17,435,821.37	1,738,050.89*
1936	" .....	16,575,151.62	18,225,949.86	1,650,798.24*
1937	" .....	20,743,045.72	20,665,192.83	77,852.89
1938	" .....	24,127,805.54	21,359,739.46	2,768,066.08
1939	" .....	24,269,817.40	21,242,625.48	3,027,191.92
1940	" .....	24,410,039.54	21,922,189.04	2,487,850.50
1941	" .....	24,921,669.29	20,570,675.91	4,350,993.38
1942	" .....	27,213,546.34	19,965,125.48	7,248,420.86
1943	" .....	27,961,197.97	21,588,134.34	6,373,063.63
1944	" .....	29,786,033.38	23,095,501.98	6,690,531.40
1945	" .....	31,848,484.17	25,962,684.07	5,885,800.10
1946	" .....	40,915,956.30	29,268,547.92	11,647,408.38
1947	" .....	42,588,038.42	31,939,342.48	10,648,695.94
1948	" .....	57,209,572.31	40,020,848.24	17,188,724.07
1949	" .....	70,445,624.43	45,495,101.78	24,950,522.65
	Debt Reorganization Programme .....	14,250,789.29	25,480,372.01	11,229,582.72*
		\$725,274,310.54	\$653,614,502.84	\$71,659,807.70
Add: Excess of income assets over liabilities and adjustments .....				5,176,529.35
Income Surplus, March 31, 1949 .....				\$76,836,337.05
CAPITAL ACCOUNT:				
	Excess of capital expenditures over receipts to March 31, 1949 .....			41,838,405.69
Consolidated Surplus, March 31, 1949 .....				\$34,997,931.36

Certified correct,

C. K. HUCKVALE, C.A.,  
Provincial Auditor

STATEMENT No. 3  
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATISTICS

1. AGRICULTURE—

(a) GENERAL:

Area.....(Acres).....	Land	159,232,000 Acres.
	Water	4,150,400 Acres.
	<b>TOTAL</b>	<b>163,382,400 Acres.</b>
Area.....(Sq. Miles).....	Land	248,800 Sq. Miles.
	Water	6,485 Sq. Miles.
	<b>TOTAL</b>	<b>255,285 Sq. Miles.</b>
Population.....(1946).....	Rural	448,934 No.
	Urban	354,396 No.
	<b>TOTAL</b>	<b>803,330 No.</b>
Population.....(1946).....	Male	423,997 No.
	Female	379,333 No.
	<b>TOTAL</b>	<b>803,330 No.</b>
Area of National Parks .....		13,399,808 Acres.
Area of Forest Reserves.....		8,947,680 Acres.
Area of Forested Lands.....		83,635,200 Acres.
Area of Lands excluding Dom. and Prov. Parks and Alienated Land...		97,994,240 Acres.
Area of Total Lands.....		159,232,000 Acres.
Area of Agricultural Land.....		87,449,600 Acres.
Area of Arable Land.....		70,000,000 Acres.
Area of Occupied Farms.....		41,000,000 Acres.
Area of Farm Land Under Cultivation.....		20,280,600 Acres.
Number of Farms (1946) .....		89,561 No.

(b) PRODUCTION:

	Unit	1948 (Final)	1949 (Preliminary)
Wheat Production.....	Quantity.....Bushels.....	115,000,000	97,000,000
	Value.....\$.....	175,950,000	144,530,000
Other Grains' Production .....	Quantity.....Bushels.....	144,218,000	91,475,000
	Value.....\$.....	131,770,000	65,037,000
Root Crops Production .....	Quantity.....Tons.....	425,450	401,550
	Value.....\$.....	9,135,000	8,656,000
Fodder Crops Production .....	Quantity.....Tons.....	2,530,000	1,824,000
	Value.....\$.....	32,301,000	26,220,000
Live Stock Population .....	Horses.....No.....	376,600	349,400
	Cattle.....No.....	1,139,500	1,044,000
	Calves.....No.....	444,800	421,000
	Sheep and Lambs.....No.....	448,600	441,800
	Swine.....No.....	833,900	847,100
Live Stock Marketings .....	Horses.....No.....	25,895	12,926
	Cattle.....No.....	531,988	526,958
	Calves.....No.....	119,240	126,089
	Sheep and Lambs.....No.....	215,732	172,312
	Swine.....No.....	1,165,453	924,717
	Total Value.....\$.....	140,242,000	133,949,000
Live Stock Shipments from Alberta .....	Horses.....No.....	10,412	5,426
	Cattle.....No.....	301,572	306,582
Dairy Production .....	Value.....\$.....	56,755,000	52,560,000
Poultry Production.....	Value.....\$.....	25,057,000	22,025,000
Miscellaneous Agricultural Production .....	Value.....\$.....	4,098,000	2,956,000
<b>TOTAL—Agricultural Production.....</b>	<b>Value.....\$.....</b>	<b>575,308,000</b>	<b>455,933,000</b>

STATEMENT No. 3—Continued  
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATISTICS

2. NATURAL RESOURCES:		Unit	1948 (Final)	1949 Preliminary (Revised)
Coal Production	Quantity	Tons	8,111,013	8,616,983
	Value	\$	41,875,044	44,541,538
Petroleum Production	Quantity	Bbls.	10,973,583	20,246,466
	Value	\$	35,127,751	58,999,936
Natural Gas Production (Well Head)	Quantity	M. cu. ft.	61,034,698	67,093,738
	Value	\$	3,051,735	3,354,687
Salt Production	Quantity	Tons	34,329	28,259
	Value	\$	343,300	282,590
TOTAL—Mineral Production	Value	\$	79,397,830	107,178,751
Forestry—Lumber Cut	Quantity	Ft. b. m.	390,330,152	355,000,000
	Value	\$	17,564,857	14,200,000
Miscellaneous Forestry Products	Value	\$	2,955,369	2,778,965
TOTAL—Forestry Production	Value	\$	20,520,226	16,978,965
Commercial Fisheries	Quantity	Lbs.	7,149,517	6,143,664
	Value	\$	727,667	556,214
Fur	Value	\$	2,781,991	1,926,783
TOTAL—Natural Resources	Value	\$	103,427,714	126,640,713

  

3 OTHER STATISTICS:		Unit	1948 (Final)	1949 (Preliminary)
Trade and Industry—Retail Trade	Sales	\$	519,200,000	581,090,000
Wholesale Trade	Sales	\$	351,083,676	405,000,000
Manufacturing Industries	Value of Production	\$	350,000,000	360,000,000
Railway Mileage		Miles	5,805	5,805
Schools in Operation		No.	2,550	2,622
Motor Vehicles		No.	170,315	180,000
Surfaced Highways		Miles	13,830	14,000
Bank Clearings		\$	1,951,777,712	2,279,483,011
Bank Debits		\$	3,961,078,316	4,750,144,275
Construction Industry	Contracts Awarded	\$	74,071,700	104,380,600



GDV DDC CA2 AL T B77 1941-1950  
ALBERTA TREASURY DEPT  
BUDGET SPEECH --

39812847 GDV PU8



\* 000025592403 \*

## DATE DUE SLIP

DEC 12 '88  
DEC 12 RETURN  
DUE CAM JAN 27 '89  
JAN 13 RETURN  
DUE CAM APR 8 '89  
APR 23 RETURN  
DUE CAM JUL 02 1992  
DUE CAM OCT 13 '92  
DUE CAM OCT 06 1994  
SEP 13 1994



